

2018-19
VICTORIAN
PRE-BUDGET
STATEMENT

FUTURE ECONOMY
FUTURE JOBS



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Budget Recommendations

Tourism employs almost 210,000 Victorians, generates \$29.0 billion of consumption spending and accounts for 3% of the Victorian economy.¹ The visitor economy's importance to the State means it is critical policy settings are supportive of tourism and encourage continued growth in the industry. The 2018/19 Budget represents an opportunity for the Victorian Government to secure the future of the tourism sector and to improve the transport experience of visitors and Victorians.

TTF recommends the 2018/19 Budget incorporates the following key policies.

1. Commit to at least \$400 million in funding over four years for *Visit Victoria*.

There is intense competition amongst Australian States and Territories for the tourist dollar. Many other jurisdictions have increased destination marketing spending in recent budgets. For example, NSW invested \$193 million in 2017/18, Queensland is spending \$100 million per year for the next four years and Western Australia is spending \$85 million per year for the next five years.

TTF recommends that Visit Victoria receive the same funding certainty across the forward estimates as other states in order to remain competitive over multiple years. This includes critical marketing funds, business events attraction funding for the Melbourne Convention Bureau and regional events funding.

To ensure both competitive funding levels and funding certainty, the 2018/19 Budget needs to commit to at least \$400 million in funding over four years for *Visit Victoria*.

This annual \$100 million in funding should comprise:

- increased funding for destination marketing activities, both internationally and nationally (according to Visit Victoria's 16/17 Annual Report \$39 million is currently dedicated to marketing). This would allow for an increased diversification of Victoria's marketing focus towards the emerging markets of India, US and Southeast Asia, while maintaining funding for activities in China;
- increased funding for regional events to allow for additional events in regional Victoria; and
- increased funding for attracting business events to the Melbourne Convention and Exhibition Centre (i.e. the continuation of MCB funding beyond 2017/18 and beyond current levels given the MCEC expansion).

¹ Tourism Research Australia (2017) *State Tourism Satellite Account 2015/16*

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2. Invest in key visitor economy sub-sectors, including nature-based tourism and cultural institutions.

According to a 2015 study by Parks Victoria²,

“Tourists spend \$1.4 billion per year associated with their visits to parks, which generate \$1 billion gross value added and 14,000 jobs in the State economy. Regional economies that benefit the greatest from park-based tourism include the Grampians, Great Ocean Road, Yarra Valley and Dandenong Ranges and Gippsland.”

Investment in national parks is an investment in jobs for Victorians. TTF welcomed last year’s budget announcement of an additional investment on \$32 million for additional Park Rangers and upgrades to the organisation’s online marketing capability. But more needs to be done. Projects such as addressing peak-time congestion challenges on the Great Ocean Road, the completion of the redevelopment of Phillip Island Nature Park Visitor Centre and additional water storage facilities at Mt Buller resort all need a commitment from the Victorian Government, around both planning and funding, to ensure Victoria’s park network continues to deliver a quality visitor experience.

Cultural-based tourism is worth more than \$1 billion to the Victorian economy, with almost a third of visitors to the State engaging in a cultural activity during their trip.³ A 2017 report commissioned by Creative Victoria identified five strategic priorities to increase Melbourne's position:

1. Increasing consumer awareness of Melbourne and improving the way cultural events and activities are marketed and promoted;
2. Protecting existing infrastructure;
3. Optimising the current cultural offering;
4. Expanding the cultural offer; and
5. Enhancing governance to improve collaboration between organisations and institutions.

The 2018/19 Budget is an opportunity for the Victorian Government to act on this report and invest in maintaining and marketing Melbourne’s major cultural institutions as well as investing in strategic new infrastructure such as the redevelopment of Scienceworks and NGV Contemporary.

² Parks Victoria (2015) *Valuing Victoria’s Parks*

³ Boston Consulting Group (2017) *Melbourne as a global cultural destination*



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3. Invest in key transport projects to improve the visitor experience

TTF welcomes the investment in transport projects made so far by the Victorian Government, including railway crossing re-design investment to ease inner-city congestion. The development of Infrastructure Victoria's 30-year priority list is also welcome and highlights that there is still plenty of work to do on the State's infrastructure backlog.

For many visitors to Victoria, one of their first experiences on arrival is getting from the airport to the city. This experience needs to be improved in both the short and longer term. In the short term, as part of the almost completed upgrades to the CityLink-Tullamarine Freeway, there needs to be new prioritisation placed on bus traffic, including a dedicated lane for SkyBus buses. In the longer term, planning and funding stages need to be developed for rail links to Melbourne (Tullamarine) and Avalon airports.